



# NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

**FOR IMMEDIATE RELEASE**  
**May 5, 2004**

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## **TREASURER ANGELIDES ANNOUNCES RECORD SALE OF \$7.9 BILLION IN ECONOMIC RECOVERY BONDS**

*Dedicated Revenue Stream of Quarter-Cent Sales Tax Helped Prompt Strong Demand, Allowing  
Treasurer's Office to Cut Interest Rates and Reduce Borrowing Costs for Taxpayers*

SACRAMENTO, CA – California State Treasurer Phil Angelides announced today the negotiated sale of a record \$7.9 billion in Economic Recovery Bonds (ERBs), an issue so popular with retail and institutional investors that underwriters received nearly \$14.9 billion in orders, or nearly double the size of the sale.

The bonds were sold at a true interest cost of 4.025 percent. The three major rating agencies – Moody's Investors Service, Standard & Poor's and Fitch Ratings – rated the bonds Aa3, AA- and A+, respectively.

Today's institutional orders and the pricing of the sale followed unprecedented, record retail orders totaling \$2.28 billion.

Today's \$7.9 billion sale marked the largest one-day municipal bond sale in U.S. history. When the entire \$12.3 billion ERB sale is completed next month, it will be the largest municipal bond sale in U.S. history, surpassing the State's \$11.3 billion electric revenue bonds in 2002.

The bonds had stronger credit ratings than the State's typical General Obligation (GO) bonds because they offered double-barreled security, backed by a dedicated revenue stream that Angelides urged legislators to adopt – an irrevocable, 1/4-cent state sales tax – as well as the full faith and credit of the State.

"In a very uncertain world," Angelides said, "California bonds still remain a safe haven and a good, secure investment."

Today's sale will provide the additional cash needed in order for the State General Fund to meet all of its June 2004 cash flow obligations – including nearly \$11 billion in Revenue Anticipation Warrants and \$3 billion in Revenue Anticipation Notes.

By the middle of June, the Treasurer's office expects to sell nearly \$4 billion in additional ERBs – in a series of variable rate issues – that will complete the total, authorized \$12.3 billion sale.